PCA – Process Residential Care Facility Cost Report Via Desk Review

Purpose: Review the cost report using desk review procedures to determine if reported costs are allowable and reasonable for Residential Care Facilities. Form 470-0030, Financial and Statistical Report (or Form AA-4036-0) is due 90 days after the end of the provider's fiscal year.

Identification of Roles:

1. <u>Accounting Assistant</u> – reviews the cost report to determine if all the necessary information was completed and received. Imports/data enters cost report. Also reviews the reported items to make sure it foots and ties out to supporting documentation.
2. <u>Staff Accountant</u> – performs desk review procedures to determine reasonable and allowable costs.
3. <u>Senior Accountant</u> – may perform desk review procedures and perform reviews.
4. <u>Supervisor</u> – perform review of desk review procedures and adjustments.
5. <u>Manager</u> – may perform review of desk review procedures and adjustments.

Performance Standards:

Perform annual desk review and notify the provider and the Department of the new payment rate by sending a rate sheet within 90 days of receipt of the financial and statistical report.

Notify the provider and the Department of the new payment rate by sending a "rate sheet" within two months of the end of the month after receipt of the financial and statistical report.

Path of Business Procedure:

Step 1:   Cost Report Process

    a.   The cost reports are submitted by Residential Care Facility (RCF) providers. Mailroom receives Cost Report and scans into On-Base and forwards to PCA. If electronic version, then the disk is sent to Provider Cost Audit (PCA).

    b.   Postmark date of Cost Report is scanned into On-Base.

    c.   Receive notification from On-Base that cost report is ready for processing.

    d.   Receive hard copy and electronic version of cost report from mailroom.

    e.   Perform preliminary review.

    f.   Log receipt of Cost Report in status log in Access and Iowa Medicaid Cost and Rate System (IMCARS).

    g.   Send "Cost Report Acknowledgment" letter to agency. Letter is located on the Provider Cost Audit share drive.

    h.   Cost Report information is imported/data entered into IMCARS.

    i.   Review Cost Report for mathematical accuracy and completeness.

    j.   Log support staff review complete date.

    k.   Perform desk review.

    l.   Make necessary adjustments to reported data to determine allowable costs.

    m.   Review patient day costs for reasonableness.

    n.   Log accountant review complete date.

    o.   Perform review of procedures and adjustments.

    p.   Log review complete date.

    q.   Process desk review report and calculate payment rate.

    r.   Send rate notification to provider via mail.

    s.   Log date sent to provider.

    t.   Updated rates and effective dates in the Medicaid Management information System (MMIS).

    u.   Give Quarterly Agreed Upon Procedure Report to the Department of Human Services (DHS).

    v.   Prepare Semi-annual Compilation report summarizing cost and statistical data from provider submitted cost reports.

Step 2:   Annual Rate Updates

    a.   Send legislative rate cap changes to CORE to update MMIS parameter file as necessary.

    b.   Update inflation factor in IMCARS.

    c.   Calculate annual rates, effective July 1 based on legislative changes in rate cap and inflation changes.

    d.   Send rate notification to provider via mail.

    e.   Update rates and effective dates in MMIS. This will be done either manually or uploading an electronic file.

Forms/Reports:

1. Form 470-0030, Financial and Statistical Report. – hard copy provided
2. Provider workpapers.
3. Desk Review program and workpapers.
4. Desk Review report.
5. RCF Rate Worksheet.
6. Semi-annual Compilation Report

RFP References:
Section 6.7.1.2b

Interfaces:
Medicaid Management Information System (MMIS)
IME Core Unit

Attachments:
Form 470-0030 –
http://www.ime.state.ia.us/docs/NursingFacility_V597version.xls

Instructions to Form 470-0030 -
http://www.ime.state.ia.us/docs/CostReportInstructions4.pdf